

Message Text

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ACTION COME-00

INFO OCT-01 ARA-14 ISO-00 SP-02 USIA-15 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 DOTE-00
CIAE-00 INR-07 NSAE-00 DODE-00 L-03 PRS-01 ITC-01
IO-14 /097 W

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 6540

UNCLAS LIMA 7739

FOR COMMERCE LAD/OIM/BIC - MR. BREWER

EO 11652: N/A

TAGS: ACIN, EIND

SUBJ: DETAILS OF ANCON AUTOMOTIVE SECTORAL PROGRAM

REF: (A) BREWER/KOHN/TELCON 9/6/77, (B) LIMA 7634,
(C) LIMA A-142

SUMMARY: THE FINAL VERSION OF THE AUTOMOTIVE SECTORAL PROGRAM
OF THE ANDEAN PACT IS STILL UNDER CONSIDERATION. THE MOST
RECENT DRAFT PROPOSAL PROVIDES AN INDICATION OF THE LIKELY
CONTENT OF THE FINAL PROGRAM. END SUMMARY.

1. THE FULL TEXT OF THE AUTOMOTIVE SECTORAL PROGRAM FOR
INDUSTRIAL DEVELOPMENT (SPID) WILL NOT BE AVAILABLE UNTIL IT
IS FORMALLY ADOPTED BY THE ANDEAN PACT (ANCOM) COMMISSION
MEETING WHICH IS SCHEDULED FOR THE WEEK OF SEPTEMBER 12.
LIMA A-142 TRANSMITS THE ACTA FINAL OF THE COMMISSION MEETING
WHICH ENDED AUGUST 28 AFTER REACHING A COMPROMISE AGREEMENT
ON PERU'S DEMANDS FOR ADDITIONAL ASSIGNMENTS. AN ADVANCE COPY
WAS POUCHED DIRECTLY TO BREWER. POST IS ALSO POUCHING TO BREWER
ONLY PRESENTLY AVAILABLE COPY OF THE COMPLETE TEXT OF THE FIFTH
DRAFT OF JUNTA PROPOSAL 45 (AUTOMOTIVE SPID) DATED JULY 12, 1977.
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THIS WAS THE WORKING DOCUMENT USED IN THE COMMISSION SESSION
WHICH ENDED AUGUST 28 AND WILL PROBABLY APPEAR VIRTUALLY INTACT
AS A COMMISSION DECISION, IF FINAL APPROVAL IS GIVEN AS PLANNED
IN QUITO.

2. THE MOST SIGNIFICANT DIFFERENCES WILL APPEAR IN THE VARIOUS
CHARTS AND TABLES SHOWING COUNTRY ASSIGNMENTS, RATHER THAN IN

THE DESCRIPTION OF THE MECHANISMS OF THE SECTORAL PROGRAM. THE B-2 TRUCK CATEGORY (4.6 TO 9 TONS) HAS BEEN DIVIDED INTO B-2.1 (4.6 TO 6.2 TONS) AND B-2.2 (6.2 TO 9.3 TONS).

3. THE FOLLOWING ARE THE ASSIGNMENTS AGREED TO IN LIMA AUGUST 28. UNLESS OTHERWISE INDICATED "ASSIGNMENT" MEANS THE COUNTRY HAS BEEN ASSIGNED ONE BASIC MODEL IN THE CATEGORY SPECIFIED. "COPRODUCTION," "COMPLEMENTATION," AND "ASSEMBLY" REFER TO BILATERAL AGREEMENTS.

A) A-1 (AUTOS WITH UP TO 1050 CC CYLINDER DISPLACEMENT: COLOMBIA- ASSIGNMENT.

B) A-2 (1050 TO 1500 CCLC COLOMBIA-ASSIGNMENT, ECUADOR-ASSIGNMENT.

C) A-3 (1500 TO 2000 CC): BOLIVIA-ASSEMBLY WITH VENEZUELA, COLOMBIA-ASSEMBLY WITH VENEZUELA, PERU-ASSIGNMENT OF TWO BASIC MODELS, VENEZUELA-ASSIGNMENT.

D) A-4 (MORE THAN 2000 CC): BOLIVIA-ASSEMBLY WITH VENEZUELA, COLOMBIA-ASSEMBLY WITH VENEZUELA, VENEZUELA-ASSIGNMENT OF TWO BASIC MODELS.

E) C (FOUR-WHEEL DRIVE VEHICLES WITH GROSS WEIGHT BELOW 2500 KILOGRAMS WITH A GASOLINE ENGINE AND BELOW 2700 KILOGRAMS WITH A DIESEL ENGINE): UNCLASSIFIED

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BOLIVIA-ASSEMBLY WITH COLOMBIA, COLOMBIA-ASSIGNMENT, ECUADOR-CO-PRODUCTION WITH VENEZUELA, PERU-CO-PRODUCTION WITH COLOMBIA, VENEZUELA-ASSIGNMENT.

F) B-1.1 (TRUCKS UP TO 3.0 METRIC TONS GROSS WEIGHT): BOLIVIA-ASSIGNMENT, COLOMBIA-ASSEMBLY WITH BOLIVIA, VENEZUELA-ASSEMBLY WITH BOLIVIA.

G) B-1.2 (TRUCKS FROM 3.0 TO 4.6 TONS): ECUADOR - ASSIGNMENT, VENEZUELA-CO-PRODUCTION WITH ECUADOR.

H) B-2.1 (TRUCKS FROM 4.6 TO 6.2 TONS): BOLIVIA-ASSEMBLY WITH PERU, COLOMBIA-ASSEMBLY WITH PERU, PERU-ASSIGNMENT.

I) B-2.2 (TRUCKS FROM 6.2 TO 9.3 TONS): BOLIVIA-ASSIGNMENT.

J) B-3 (TRUCKS FROM 9.3 TO 17 TONS): BOLIVIA-ASSIGNMENT (COMPLEMENTATION AGREEMENTS WITH THE OTHER FOUR COUNTRIES), COLOMBIA-ASSIGNMENT, ECUADOR-ASSEMBLY (CHASSIS FOR OTHER COUNTRIES ASSIGNED B-3), PERU-ASSIGNMENT AND ASSEMBLY AND CO-PRODUCTION WITH COLOMBIA, VENEZUELA-ASSIGNMENT.

K) B-4 (MORE THAN 17 TONS): COLOMBIA-ASSEMBLY AND COMPLEMENT-
ATION WITH VENEZUELA, ECUADOR-ASSEMBLY WITH VENEZUELA (ONLY
FOR ECUADORIAN MARKET), PERU-ASSIGNMENT, VENEZUELA-ASSIGNMENT.

4. ONCE THE DRAFT PROGRAM HAS BEEN ADOPTED AS A COMMISSION
DECISION, THE VARIOUS COUNTRIES MUST SELECT THE BASIC MODEL
TO BE PRODUCED UNDER THEIR RESPECTIVE COUNTRY ASSIGNMENTS. NO
DEADLINE IS GIVEN FOR THESE DECISIONS BUT ACTION MUST BE PROMPT
BECAUSE OF THE PRESSURES OF OTHER DEADLINES. UNDER THE TERMS
OF THE DRAFT SPID, THE COUNTRIES WOULD AGREE TO TERMINATE
PRODUCTION OF NON-SUBREGIONAL PASSENGER VEHICLES (THOSE NOT
SPECIFIED UNDER THE SPID) NO LATER THAN DECEMBER 31, 1981.

5. IN THE CASE OF COLOMBIA, PERU, AND VENEZUELA "B" AND "C"
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CATEGORY CHASSIS ARE TO CONTAIN MORE THAN 50 PERCENT SUB-REGIONAL
COMPONENTS BY DECEMBER 31, 1983 AND "A" VEHICLE CHASSIS BY
DECEMBER 31, 1985. "C" CATEGORY BODIES ARE TO BE MORE THAN
50 PER CENT SUB-REGIONAL BY THE END OF 1983 AND A AND B CATEGORY
BODIES BY THE END OF 1985. BOLIVIA AND ECUADOR ARE GIVEN THREE
ADDITIONAL YEARS TO MEET THESE DEADLINES.

6. COLOMBIA, PERU, AND VENEZUELA ARE TO ELIMINATE TARIFFS ON
SUB-REGIONAL VEHICLES TOTALLY BY THE END OF 1981. BOLIVIA AND
ECUADOR ARE TO ELIMINATE THEM IN FOUR ANNUAL STEPS BEGINNING
AT THE END OF 1982. THE COMMON EXTERNAL TARIFF IS TO BE IN FULL
FORCE IN THE THREE MORE DEVELOPED COUNTRIES BY THE END OF 1983.
BOLIVIA AND ECUADOR HAVE UNTIL 1985.

7. AS NOTED, THE FOREGOING IS DRAWN FROM THE MOST RECENT DRAFT
PROPOSAL. THE EVENTUAL DECISION COULD INCORPORATE SUBSTANTIVE
CHANGES.
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